

June 22, 2022

This document is an English translation of a statement written initially in Japanese. The Japanese original should be regarded as the primary version.

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(Code No. 8001, Prime Market)
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Announcement of Change in Specified Subsidiary

ITOCHU Corporation (hereinafter “ITOCHU”) has as of today, through Pacific Woodtech Corporation (headquarters: Washington, USA; hereinafter “PWT”), an affiliate company of ITOCHU, reached an agreement with Louisiana Pacific Corporation (headquarters: Tennessee, USA; hereinafter “LP”) to acquire its Engineered Wood Products business (hereinafter “the Business”). PWT will acquire two plants located in California and North Carolina in the United States and one plant located in British Columbia in Canada, owned by LP, through the acquisition of the Business. This is an announcement of the decision by ITOCHU to provide additional investment in PWT in relation to its acquisition of the Business (hereinafter “the Additional Investment”), as a result of which PWT is scheduled to become a specified subsidiary of ITOCHU (such a change in specified subsidiary shall be called hereinafter, “the Change”).

1. Purpose of the Change

Before the Change, DAIKEN Corporation (headquarters: Nanto City, Toyama; hereinafter “DAIKEN”) holds 51% of the issued shares of PWT, and ITOCHU holds 49%. However, both DAIKEN and ITOCHU acknowledged that in order for further business expansion of PWT after the acquisition of the Business, know-how for the M&A that ITOCHU has accumulated in the North American construction materials business and collaboration with ITOCHU’s existing businesses are indispensable. Based on such an understanding, it was decided, with the consent of DAIKEN, that ITOCHU will provide additional investment in PWT in order to acquire the Business. Accordingly, PWT is scheduled to become a specified subsidiary of ITOCHU.

2. Overview of PWT

(1) Name	Pacific Woodtech Corporation			
(2) Head office	1850 Park Lane, Burlington, Washington, 98233 U.S.A.			
(3) Representative	Director, President & CEO: James J. Enright			
(4) Principal business	Manufacture and sale of residential structural materials LVL and I-Joist			
(5) Capital	(Before the Change): USD 26,000 thousand (approximately JPY 3 billion) (After the Change) USD 203,765 thousand (approximately JPY 27.5 billion) (Note 1)			
(6) Date of establishment	January 7, 1998			
(7) Fiscal year-end	March			
(8) Ownership	(Before the Change) ITOCHU Corporation: 49% DAIKEN CO., LTD.: 51% (After the Change) ITOCHU Corporation: 75% DAIKEN CO., LTD.: 25%			
(9) Relationship with ITOCHU				
	Capital	As specified in (8) above, ITOCHU will own 75% of the issued shares of PWT as a result of the Additional Investment.		
	Personnel	Two employees of ITOCHU also concurrently serve as directors of PWT.		
	Transactions	There are no transactions between ITOCHU and PWT.		
(10) Financial Conditions and Operating Results for the Last Three Years	(Units: USD thousands(JPY million))			
	Accounting Period (Consolidated)	FY ended March 2020	FY ended March 2021	FY ended March 2022
	Total equity	41,859 (4,555)	43,443 (4,810)	84,828 (10,382)
	Total Assets	102,976 (11,207)	110,719 (12,258)	127,223 (15,571)
	Equity per share (Units: USD1 (JPY thousands))	129 (14)	134 (15)	261 (32)

	Revenues	150,634 (16,443)	151,089 (16,011)	283,271 (31,596)
	Operating income	10,439 (1,140)	6,973 (739)	56,762 (6,331)
	Net income	7,014 (766)	4,306 (456)	43,537 (4,856)
	Net income per share (Units: USD1 (JPY thousands))	22 (2)	13 (1)	134 (15)
	Dividends per share (Units: USD1 (JPY thousands))	8 (1)	7(1)	154(20)

3. Details of the Ownership Before and After the Additional Investment

(1) Number of shares of PWT owned by ITOCHU before the Additional Investment	159,250 shares (ITOCHU holds 49% of the total voting rights)
(2) Number of shares acquired due to the Additional Investment	338,000 shares (Acquisition price: USD 177,765 thousand (approximately JPY 24 billion))(Note 1)
(3) Number of shares of PWT owned by ITOCHU after the Additional Investment	497,250 shares (ITOCHU will hold 75% of the total voting rights)

4. Schedule

(1) Date of Additional Investment	August 2022 (tentative) (Note 2)
(2) Date of Business Acquisition	August 2022 (tentative) (Note 2)

(Note 1) The conversion rate is approximately JPY 135 to USD 1.

(Note 2) The Additional Investment and the acquisition of the Business will be completed after obtaining the necessary regulatory approvals under the antitrust laws in the United States and Canada.

5. Forecast of Consolidated Operating Results for the FY Ending March 2023

The impact of this matter on the net profit attributable to ITOCHU for this fiscal year is not significant and the full-year forecast for the consolidated net profit attributable to ITOCHU remains unchanged from JPY 700 billion as announced on May 10, 2022.